

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 05626 151115 Z

53

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 L-03 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 RSR-01 /047 W

----- 064796

R 151006 Z MAY 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5229

INFO AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE MANILA 5626

SINGAPORE PLS PASS MEADOWS U. S. CIVAIR TEAM

E. O. 11652: NA

TAGS: ETRN, RP

SUBJECT: CIVAIR: PANAM EFFORTS TO SECURE ADDITIONAL 747
FREQUENCIES

REFS: A) STATE 85115 B) MANILA 4737

BEGIN SUMMARY: PANAM MANAGER MACKENZIE HAS WRITTEN
FORMAL LETTERS TO CAB CHAIRMAN QUIAZON (A) RAISING
POSSIBILITY OF PART 213 ACTION AGAINST PHILIPPINE AIR
LINES; AND (B) STATING THAT REVERSION TO B 707 S ON
PANAM' S CENTRAL PACIFIC ROUTE TO MANILA WOULD BE
NECESSARY AND THAT ANNOUNCEMENT TO THIS EFFECT
EXPECTED TO BE MADE MAY 17 UNLESS INFORMATION RECEIVED
THAT TWO ADDITIONAL B747 FREQUENCIES COULD BE OPERATED.
MACKENZIE MET WITH AMB ROMUALDEZ MAY 11 AND
DISCUSSED ENTIRE RANGE OF CIVAIR ISSUES, WITH ROMUALDEZ
STRONGLY RESTATING POSITION THAT US CAB SHOULD TAKE
ACTION ON TWO PENDING PAL APPLICATIONS BEFORE GOP PERMITS
CHANGE IN STATUS QUO OF RIGHTS FOR US CARRIERS. EC/ COM
COUNSELOR HAS HAD PRELIMINARY CONVERSATION WITH MELCHOR
AND EXPECTS MEET WITH MELCHOR AND ROMUALDEZ SOON TO
REVIEW CIVAIR ISSUES. WE CONTINUE CONCERNED AT DUG- IN
GOP POSITION, BELIEVE PAL EFFORTS ACQUIRE WIDEBODIED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 05626 151115 Z

AIRCRAFT POSES POTENTIALLY TROUBLESOME CENTRAL PACIFIC CAPACITY INCREASE, BUT THAT PANAM ACTION PREMATURE AS WELL AS BACKWARD STEP, AND SUGGEST THAT PART 213 AUTHORITY AT LEAST FOR CONTINGENT USE MAY BE NECESSARY TO PROTECT U. S. INTERESTS. END SUMMARY.

1. MACKENZIE MAY 14 PROVIDED EMBASSY COPIES OF FOLLOWING DOCUMENTS:

(A) GOP POSITION PAPER DATED APR 27 REPORTEDLY FROM OFFICE OF PRESIDENT STATING THAT ADDITIONAL PANAM 747 FLIGHTS SHOULD NOT BE PERMITTED UNTIL GOP OR PAL SECURED " IMMEDIATE HEARING AND FAVORABLE ACTION" BY US CAB ON GUAM AND TOKYO / SAN FRANCISCO/ LOS ANGELES ROUTES.

(B) MACKENZIE LETTER DATED MAY 4 TO CAB CHAIRMAN QUIAZON REVIEWING EVENTS BEGINNING WITH APRIL 10 APPROVAL OF FOUR B747 FULL TRAFFIC FREQUENCIES. LETTER QUOTED TEXT OF POSITION PAPER (A), STATED THAT PHILIPPINE INSISTENCE ON US CAB APPROVAL OF TWO PAL ROUTE APPLICATIONS WOULD BE IMPOSSIBLE TO ATTAIN, AND RAISED POSSIBILITY OF US CAB ACTION AGAINST PAL UNDER ECONOMIC REGULATION PART 213.

(C) MACKENZIE LETTER DATED MAY 9 AND DELIVERED TO QUIAZON MAY 10 REAFFIRMED PANAM' S PROPOSAL INCLUDING COMMITMENT TO SPEND A MINIMUM OF \$ 1 MILLION PER YEAR FOR TWO YEARS TO PROMOTE TOURIST TRAVEL TO THE PHILIPPINES. LETTER THEN NOTED PITFALLS AND COMPLICATIONS THAT HAD BROUGHT MATTER TO STANDSTILL AND SAID PANAM HAD RELUCTANTLY BEEN FORCED INTO DECISION TO REVERT TO B707 OPERATION ON CENTRAL PACIFIC SERVICE EFFECTIVE IN JULY. IT ADDED THIS DECISION EXPECTED TO BE MADE PUBLIC MAY 17 AND COULD ONLY BE REVERSED IF INFORMATION PROVIDED PRIOR TO MAY 16 THAT PANAM WILL BE ABLE TO OPERATE FOUR B747 FULL TRAFFIC FREQUENCIES IN ACCORDANCE WITH APRIL 10 AUTHORIZATION. ACCORDING MACKENZIE, TEXTS OF LETTERS ARE AVAILABLE AT PANAM NEW YORK OR WASHINGTON OFFICE.

EC/ COM COUNSELOR HAS TOLD MACKENZIE THAT PANAM STATEMENTS IN MAY 4 AND MAY 9 LETTERS APPEAR PREMATURE AND THAT RESTORATION 747' S, ONCE WITHDRAWN, COULD BE VERY DIFFICULT. GRANTING FRUSTRATING SITUATION, OUR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 05626 151115 Z

INTERESTS SEEM BEST SERVED BY OBSERVING STANDFAST FOR TIME BEING. COUNSELOR THEN NOTED THAT HE HAD HAD PRELIMINARY CONVERSATION WITH MELCHOR ON US- RP AIR TRANSPORT ISSUES, THAT MELCHOR HAD PROPOSED MEETING WITH ROMUALDEZ, AND THAT COUNSELOR EXPECTED HAVE MORE EXTENSIVE REVIEW WITH MELCHOR AND ROMUALDEZ IN NEXT FEW DAYS. MACKENZIE COMMENTED THAT " ECONOMIC NECESSITY"

REQUIRED PANAM TO SHIFT TO WHAT PANAM HOPED WOULD BE FIVE B707 FREQUENCIES THROUGH MANILA ON CENTRAL PACIFIC ROUTE UNLESS FOUR FULL B747 FREQUENCIES WERE ALLOWED. COUNSELOR REITERATED VIEW THAT WITHDRAWAL OF 747'S GRANTING ECONOMIC JUSTIFICATION, WOULD BE BACKWARD STEP, DOING MORE HARM TO PANAM INTERESTS THAN GOOD FOR CAUSE. MACKENZIE HAS AGREED RECOMMEND TO PANAM HQ DEFERRAL ANY ANNOUNCEMENT RE WITHDRAWAL 747'S UNTIL EC/ COM COUNSELOR'S MEETING WITH ROMUALDEZ.

3. MEANWHILE, EMBASSY HAS EVIDENCE THAT PAL IS CONSIDERING VARIOUS ALTERNATIVE ROUTE PATTERNS IN NORTHERN PACIFIC IN CONNECTION WITH STUDY RE INTRODUCTION OF WIDEBODIED AIRCRAFT, PRESUMABLY TO BE USED ON CENTRAL PACIFIC ROUTE IN INITIAL PHASE. DOUGLAS CORP. REPRESENTATIVES REPORT PAL OFFICIALS ARE CONSIDERING UTILIZATION OF DC-10'S ON CENTRAL PACIFIC ROUTE WITH DC-8 AIRCRAFT ON A MANILA/ TOKYO/ HONOLULU ROUTE. ANOTHER POSSIBILITY REPORTED BY NORTHWEST MANAGER MAY 14 TO HAVE BEEN RAISED RECENTLY BY PHIL CAB OFFICIALS WAS A MANILA/ TOKYO/ WEST COAST ROUTE, WITH MANDATORY NON- STOP TOKYO/ WEST COAST SECTOR AND REFUELING STOP AT ANCHORAGE. NORTHWEST MANAGER REPORTS HE WAS INFORMALLY ASKED HIS OPINION ON US ATTITUDE TOWARD THIS ROUTE.

4. WE HAVE INCREASING INDICATION OF RIGIDITY BY PHIL CAB ON ALL ISSUES RELATING TO TRAFFIC RIGHTS OF US CARRIERS, INCLUDING INTRODUCTION OF ADDITIONAL CARGO FREQUENCIES FOR US MILITARY MAIL AND OFFICIAL CARGO (STATE 80928). PHIL CAB POSITION APPEARS BASED ON MAINTAINING STATUS QUO WITHOUT ANY CHANGES OF US CARRIERS' RIGHTS PENDING CIVIL AIR NEGOTIATIONS WITH USG.

COMMENT: WE WILL EXPLORE GOP POSITION FURTHER WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MANILA 05626 151115 Z

MELCHOR AND ROMUALDEZ. AT THIS STAGE, HOWEVER, WE FEEL IT WOULD BE USEFUL CONSIDER (THOUGH FOR NOW ONLY AS CONTINGENCY PROCEDURE) ANNOUNCEMENT OF HEARING ON PART 213 AUTHORITY IN ORDER PROTECT US INTERESTS SHOULD PAL DECIDE TO PROCEED WITH INTRODUCTION OF WIDEBODIED AIRCRAFT ON TRANSPACIFIC ROUTE. HAMILTON

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANILA05626
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730543/aaaajdrk.tel
Line Count: 163
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 85115, 73 MANILA 4737
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 01 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01-Aug-2001 by elyme>; APPROVED <15-Aug-2001 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980211
Subject: CIVAIR: PANAM EFFORTS TO SECURE ADDITIONAL 747 FREQUENCIES
TAGS: ETRN, RP, ETRN
To: EB
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005